

EXHIBIT 4

IN THE UNITED STATES DISTRICT COURT FOR THE
NORTHERN DISTRICT OF CALIFORNIA

PHILIP WONG, FREDERIC CHAUSSY,)
and Leslie Marie Shearn,)
individually, on behalf of the)
general public,)
Plaintiffs,)
vs.) No. 07-CV-2446
HSBC MORTGAGE CORPORATION (USA);)
HSBC Bank USA, N.A.; and DOES 1,)
through 50, inclusive,)
Defendants.)

COPY

The 30(b)(6) deposition of HSBC
MORTGAGE CORPORATION, SUSAN R. MARCZAK, called as
a 30(b)(6) witness by the Plaintiffs, for
examination, taken pursuant to notice, agreement
and by the provisions of the Rules of Civil
Procedure for the United States District Courts
pertaining to the taking of depositions, taken
before Patricia A. Armstrong, a Notary Public
within and for the County of DuPage, State of
Illinois, and a Certified Shorthand Reporter,
No. 084-1766, of said state, at 200 North LaSalle
Street, Chicago, Illinois, on the 30th day of
August, 2007 at 10:00 a.m.

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1 BY MR. SCHWARTZ:

2 Q. And Ms. Marczak, I want to direct your
3 attention to the first paragraph, where Ms. Shearn
4 is offered a position in the mortgage department.
5 And you will note that at the bottom of this
6 document, it's marked HSBC Bank USA.

7 Is HSBC Mortgage Corporation the
8 mortgage department for HSBC Bank, USA?

9 A. The mortgage -- there is a legal entity
10 for our mortgage division, and that would be what
11 would be referred to here as the mortgage
12 department.

13 Q. And what is that legal entity?

14 A. I don't know the exact legal name, but
15 it would be HSBC Mortgage. There may be a few
16 letters attached to that, HSBC Mortgage USA, N.A.
17 I'm not sure of that, but it's HSBC mortgage is
18 its own legal entity.

19 Q. Is this HSBC Mortgage that you're
20 referring to different than HSBC Mortgage
21 Corporation USA, N.A.?

22 A. I would consider them the same thing.

23 Q. Okay. So the HSBC Mortgage Corporation
24 is the mortgage department for HSBC Bank; is that
25 right?

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1 any?

2 A. The HSBC Finance Corporation would have
3 from the HSBC Bank USA, N.A. portion --
4 perspective, provides some services for HSBC Bank
5 USA, N.A.

6 Q. Like what, for example?

7 A. Payroll processing. That's not correct.
8 There is another group, another legal
9 entity called HSBC Pay Services that provides
10 payroll services.

11 HSBC Finance Corporation provides
12 services such as compensation evaluation,
13 preparation of job descriptions, compensation
14 programs. That's provided by HSBC Finance
15 Corporation to HSBC Bank USA, N.A.

16 Q. So the HSBC Finance Corporation would
17 make decisions about job descriptions or
18 compensation that would apply to the HSBC Mortgage
19 Corporation?

20 MS. BARRETT: Objection; goes beyond the scope
21 of the deposition notice.

22 BY THE WITNESS:

23 A. Yes. The -- well, let me clarify your
24 word, you said "decisions."

25 They would work with the business to

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1 develop the job descriptions and to provide the
2 appropriate market information for those jobs as
3 far as compensation, to the business.

4 BY MR. SCHWARTZ:

5 Q. So, then, compensation and job
6 descriptions, what you were just discussing, that
7 would have some interaction with your human
8 resources department; correct?

9 A. Human resources would work with the
10 business, but it's really the business, such as
11 HSBC Mortgage Corporation. They are the business
12 owners. They would be the ones responsible for
13 saying what the jobs are, what do they do, what
14 are the responsibilities of the job, working with
15 compensation.

16 Human resources is a party to that, but
17 the information and the decision is made between
18 compensation and the business.

19 Q. When you say "the business," in this
20 case, you are referring to HSBC Mortgage
21 Corporation?

22 A. Yes.

23 Q. And who's your contact at HSBC Finance
24 Corporation who works with compensation and job
25 descriptions?

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1 A. That's correct.

2 Q. And let's go to the HSBC Mortgage
3 Corporation USA fact sheet from April 2007. This
4 is Exhibit 12.

5 (WHEREUPON, a certain document
6 was marked Marczak Deposition
7 Exhibit No. 12 for identification
8 as of August 30, 2007.)

9 BY MR. SCHWARTZ:

10 Q. Is the headquarters here, DePew,
11 New York, that's different than -- I don't know
12 where DePew, New York is.

13 That's different than Buffalo, though?

14 A. DePew is a suburb of Buffalo.

15 Q. Okay. Is this a different office than
16 the HSBC Bank's headquarters?

17 A. It's a different office than the main
18 office in Buffalo, yes.

19 Q. Okay. Is that office occupied only by
20 the HSBC Mortgage Corporation?

21 A. Yes.

22 Q. And the -- on the fact sheet here,
23 Exhibit 12, it says that there are a retail sales
24 staff of over 340 loan officers.

25 Do you see where it says that under

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1 THE VIDEOGRAPHER: We are back on the record
2 at 1:34 p.m.

3 BY MR. SCHWARTZ:

4 Q. If you could go to -- back to Exhibit 1
5 and turn to No. 18 -- actually, sorry, go back
6 before that, 16. It asks about training programs
7 and materials.

8 Who would be -- who is responsible for
9 training within the -- at the Bank?

10 A. At the bank? We have a training
11 department at the bank that is part of human
12 resources.

13 Q. Okay. And who is the individual
14 responsible for the training program?

15 A. Brian Wallace.

16 Q. Is he a group director?

17 A. Yes.

18 Q. Okay. And is Mr. Wallace's training
19 operation, do they oversee development and
20 training programs and materials for the mortgage
21 corporation, as well as the other units,
22 marketing, et cetera, et cetera?

23 A. It's actually a little different. The
24 mortgage corporation has employees that are
25 responsible for training. Those are actual

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1 mortgage corporation employees. And Mr. Wallace
2 has oversight over those individuals.

3 Q. Okay. Who are those people?

4 A. I don't know their names.

5 Q. So -- and then -- and they report to --
6 the trainers within HSBC Mortgage Corporation
7 report to Mr. Wallace, who reports to
8 Miss Ebersole?

9 A. Right. But there is a difference
10 because Mr. Wallace is a bank employee. Those
11 people reporting to him are mortgage corporation
12 employees.

13 Q. Okay.

14 A. And that is a very recent change. That
15 happened earlier this year.

16 Q. Which part of that happened earlier?

17 A. The fact that the mortgage corporation
18 reports up to Jeanne Ebersole. It was up until
19 earlier this year a total separate independent
20 group operating in the mortgage corporation.

21 Q. What was the total separate independent
22 group?

23 A. The learning and development group was
24 part of the mortgage corporation, had no reporting
25 lines up into human resources on the bank side.

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1 Q. I see. Okay.

2 Who did they report to before then?

3 A. Actually, they reported to Brian Wallace
4 when he was a HSBC Mortgage Corporation employee.

5 Q. And who did he report to at that time?

6 MS. BARRETT: Objection; beyond the scope of
7 the deposition notice.

8 BY THE WITNESS:

9 A. I'm not sure. I would assume he
10 reported at that time to Randy Roup, who was the
11 EVP of mortgage at that time. But that is a guess
12 on my part.

13 BY MR. SCHWARTZ:

14 Q. Beyond that, do you have any knowledge
15 about training that's conducted for employees to
16 mortgage corporation?

17 A. No.

18 Q. If you look at the next topic, which
19 relates to performance expectations, you have
20 already testified you don't really know about
21 performance expectations of the different
22 employees within the mortgage corporation, but the
23 disciplinary and removal procedures, through --
24 where -- through whom do supervisors in the
25 mortgage unit go when they want to discipline or

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1 remove an employee?

2 A. There is actually two. There is
3 differences between disciplining and removing.
4 But there is a corrective action policy that
5 applies across all of -- all employees across the
6 U.S. that provides guidance on how disciplinary
7 action should be done.

8 Q. And that's from HSBC Finance Corp?

9 A. That's correct.

10 Q. And that is through Miss Kalamaras?

11 A. Kalamaras, right.

12 Q. Kalamaras.

13 Now -- and then, you said there's
14 another -- a different policy for --

15 A. It's not a different policy.
16 Terminations would -- human resources is advised
17 on a potential termination.

18 So the guide -- we would provide
19 guidance, human resources, in this case for the
20 mortgage corporation, it would be Jeanie Jennings
21 would provide guidance to the manager on a
22 potential termination.

23 They don't make the decision. The
24 decisions are made by the business and the
25 business manager, but they would provide guidance

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1 over the situation.

2 Q. Does the overarching policy for all HSBC
3 entities in the U.S., which is set out by a HSBC
4 Finance Corp, does that policy describe some
5 progressive discipline that managers are supposed
6 to follow?

7 A. It provides guidelines on different
8 steps that can occur, but there is no hard and
9 fast. We are an at-will company, so there is no
10 hard and fast steps. Based on the situation at
11 hand, it would determine what corrective action
12 would be taken.

13 Q. Is that true also of -- that's true of
14 both disciplinary and termination, that the
15 policies come from HSBC finance Corp, the
16 guidance -- the hands-on guidance comes from your
17 HR department, and then it's executed by,
18 obviously, the manager of the particular employee
19 involved?

20 A. That's correct.

21 Q. If you will turn to Topic No. -- and
22 then -- well, just to wrap that up, I assume based
23 on your prior testimony, that beyond that, you
24 don't have specific information as to what would
25 lead to a termination for a loan officer or a

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1 STATE OF ILLINOIS)

2) SS.

3 COUNTY OF DU PAGE)

4 I, Patricia A. Armstrong, Certified
5 Shorthand Reporter No. 084-1766, Registered
6 Professional Reporter and Notary Public in and for
7 the County of DuPage, State of Illinois, do hereby
8 certify that previous to the commencement of the
9 examination, said witness was duly sworn by me to
10 testify the truth; that the said deposition was
11 taken at the time and place aforesaid; that the
12 testimony given by said witness was reduced to
13 writing by means of shorthand and thereafter
14 transcribed into typewritten form, and that the
15 foregoing is a true, correct, and complete
16 transcript of my shorthand notes so taken as
17 aforesaid.

18 I further certify that there were
19 present at the taking of the said deposition the
20 persons and parties as indicated on the appearance
21 page made a part of this deposition.

22 I further certify that I am not counsel
23 for nor in any way related to any of the parties
24 to this suit, nor am I in any way interested in
25 the outcome thereof.

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1 I further certify that this certificate
2 applies to the original signed IN BLUE and
3 certified transcripts only. I assume no
4 responsibility for the accuracy of any reproduced
5 copies not made under my control or direction.

6 IN TESTIMONY WHEREOF I have hereunto set
7 my hand and affixed my notarial seal this 4th day
8 of September, A.D., 2007.

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16 _____
17 Patricia A. Armstrong, CSR, RPR.,

18 My Commission Expires

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20 March 23, 2009.
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